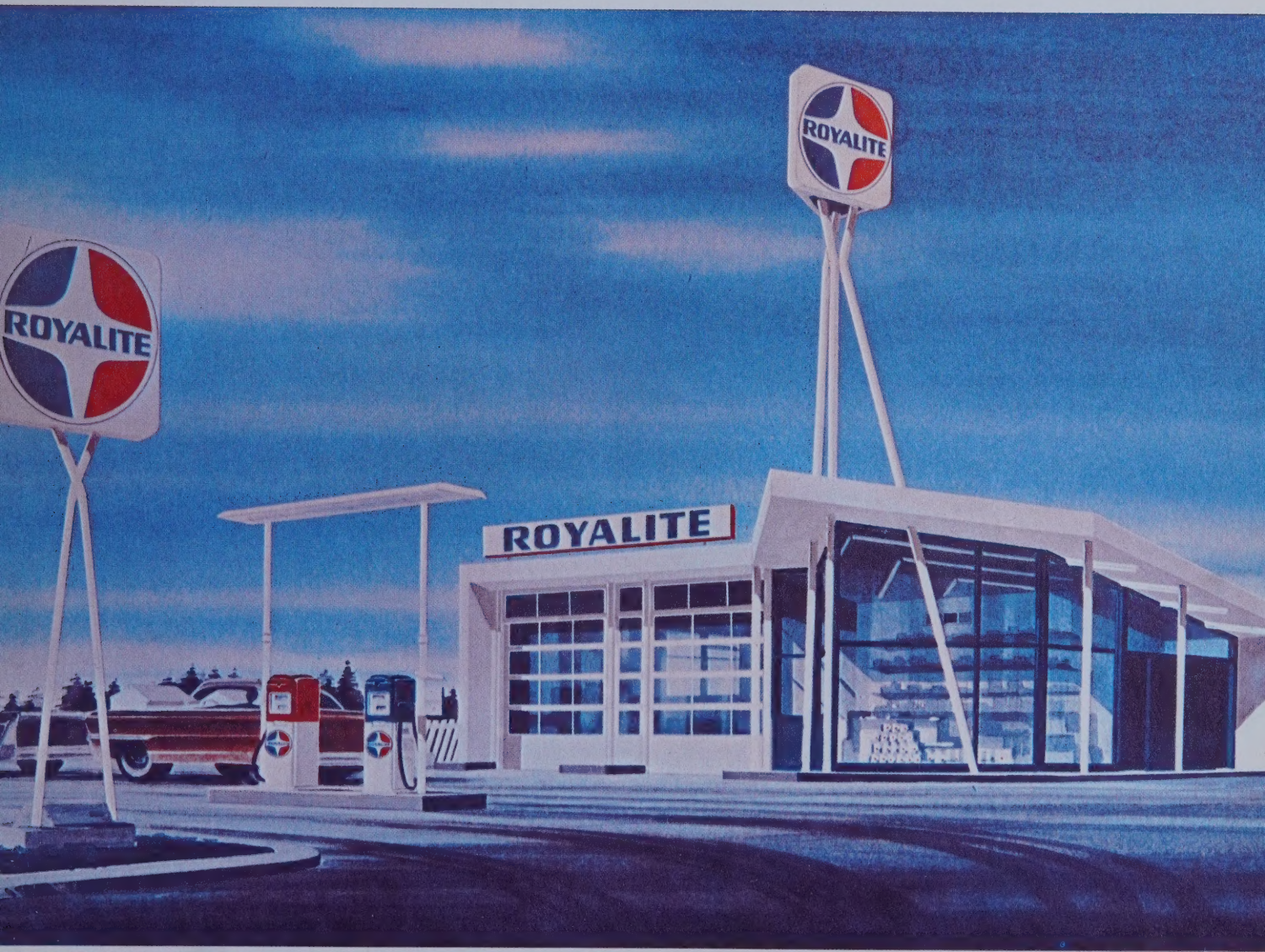


Forty-Fourth Annual Report

AR34

1964



ROYALITE OIL COMPANY, LIMITED

ROYALITE OIL COMPANY, LIMITED

1964 ANNUAL REPORT

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The Annual Meeting of Shareholders

The Annual General Meeting of the Shareholders will be held at the Head Office of the Company at 11:00 a.m. on Tuesday, April 27, 1965.

ROYALITE BUILDING • CALGARY, ALBERTA

OUR COVER PICTURE

The cover depicts Royalite's new look to be introduced during 1965. The new emblem and product sign is most appropriate at this time in view of the consolidation of Royalite's marketing operations with those of Anglo-Canadian Oils Limited and Purity 99 Oil Ltd. as explained in the Report to the Shareholders. As rapidly as is practicable, the new emblem will replace the old at service stations of the three companies, in other advertising, on product packages, and wherever else it may be used.

HIGHLIGHTS OF THE YEAR

FINANCIAL	1964	1963
Operating revenue	\$43,797,867	\$39,979,481
Net earnings	3,073,432	2,653,467
Working capital	8,600,409	7,499,979
Property, plant and equipment (net)	31,545,837	31,683,464
Earnings retained and employed in the business	15,550,950	12,692,838

OPERATING	1964	1963
Crude oil — Company net (bbls.)	1,746,348	1,637,726
Natural gasoline (bbls.)	431,357	472,763
Propane (gals.)	5,985,532	6,455,796
Natural gas sales (Mcf.)	19,019,671	20,643,014
Refinery throughput (bbls.)	4,406,324	4,238,165
Sales of gasoline, heating oil and diesel fuels (gals.) ...	122,974,552	104,455,992
Number of marketing outlets	763	741

FORTY-FOURTH ANNUAL REPORT

TO THE SHAREHOLDERS

Net earnings of the Royalite Oil Company, Limited in 1964 were \$3,073,432, 16% higher than \$2,653,467 in the previous year.

Production earnings were slightly less resulting from lower gas production and plant volumes. Refining and marketing earnings improved as a result of increased sales and lower product costs due to higher refinery throughput.

Working capital increased \$1,100,430 to \$8,600,409 at the year end compared with an increase of \$318,438 in 1963. Construction and development expenditures amounted to \$2,691,668 during the year. Long-term debt was reduced \$1,931,382 to \$15,704,716. Earnings retained in the business were \$15,550,950 at the year end compared with \$12,692,838 in the previous year.

EXPLORATION AND DEVELOPMENT

The Company participated in the drilling of fifty wells in 1964, including ten drilled by others under farmout agreements. Twenty-eight were completed as oil wells, nine as gas wells, one was suspended, eleven were abandoned and one was drilling at the end of the year.

Six of the oil wells are located in the Snipe Lake field of Northern Alberta, three in the Edson, Alberta area, four in Central Alberta and fifteen in Southeast Saskatchewan. Four of the gas wells are located in the Edson Mississippian gas field and the other five are in unitized fields in Central and Southern Alberta.

Of particular interest is the acquisition of a 25% participation in a 14,688 acre drilling reservation in the Helmet area of Northeastern British Columbia. The commitment well, to test Devonian reef productive of gas elsewhere in the vicinity, was drilled to 7,517 feet and abandoned. The reef trend is believed to be irregular and prospects in the area are still encouraging.

In the Amber River area of Northwestern Alberta Royalite acquired a one-third undivided interest in a petroleum and natural gas reservation comprising 34,560 acres. Geophysical investigations are planned.

Unproven land at December 31, 1964 totalled 252,216 acres compared with 257,069 acres at the end of 1963. Proven acreage increased over the same period from 49,444 acres to 55,353 acres.

PRODUCTION AND PIPELINES

Net crude oil and condensate production amounted to 1,746,348 barrels compared with 1,637,726 barrels produced in 1963.

Production from the Alameda, East Carnduff and Steelman unitized fields in Southeast Saskatchewan, in which the Company holds interests, continued to respond favorably to fluid injection. Water flooding operations in the Turner Valley field were expanded with the objective of improving producing rates within the near future.

Construction of water injection facilities was commenced late in 1964 in the Snipe Lake field where the Company has a one-third interest in eleven producing wells. Injection of water into the reservoir, expected to start by mid 1965, should result in a substantial increase in recoverable reserves.

In June the Company acquired a one-third interest in four producing oil wells in the Northgate field in Southeast Saskatchewan.

Net gas production was 11,763,664 Mcf compared with 13,444,840 Mcf in 1963. The decline was primarily in the Turner Valley and Gordondale fields. Gas sales, including gas purchased from others, totalled 19,019,671 Mcf.

Company plants in Turner Valley recovered 431,357 barrels of absorption gasoline compared with 472,763 barrels in the previous year and 5,985,532 gallons of propane, a reduction of 7.3%. Sulphur recovery, including the Company's share of production from plants in unitized fields, amounted to 11,034 long tons compared with 13,280 long tons in 1963.

Considerable progress was made towards unitization of the Edson gas field in which the Company holds an approximate five per cent interest. Construction of

plant facilities to process 280 million cubic feet per day of salable gas is scheduled for completion in time to commence gas sales to Trans-Canada Pipe Lines Limited by November 1, 1965.

Company gas interests in the North Sibbald area in Southeastern Alberta were unitized in September with sales to the Saskatchewan Power Corporation initiated in December.

Including unitized fields, the Company operated 335 oil wells and 85 gas wells at the year end and, in addition, owned interests in 555 oil wells and 197 gas wells operated by others. Net interest owned by the Company was equivalent to 160 oil wells and 82 gas wells.

In 1964, a total of 9,400,276 barrels of crude oil, condensate and absorption gasoline was handled by the Company's pipeline systems compared with 9,356,250 barrels in the previous year.

REFINING DEPARTMENT

Crude runs at the Saskatoon and Kamloops refineries were 4,406,324 barrels, an increase of 4.0% over the 4,238,165 barrels processed in 1963. The combined average throughput for the two refineries was 13,153 barrels per stream day during an average of 335 operating days.

Additions and modifications to process units at the Kamloops refinery increased capacity to 6,500 barrels per stream day to handle increased demand for refined products. Automatic loading facilities were installed at this refinery to provide better customer service and to reduce costs.

Enlargement of blending, storage and loading facilities for the asphalt plant was commenced at the Saskatoon refinery. This project will be completed in 1965 and will provide increased capacity to supply additional asphalt demand.

MARKETING

Volumes of gasoline, heating oil and diesel fuel, marketed through Royalite outlets, increased substantially. Sales of refined products to all customers in 1964 totalled 146,404,000 gallons.

Sales realizations were adversely affected by a general reduction of posted selling prices in June.

The Company program, designed to increase sales through dealerships and agencies, continued to meet with success. Significant improvement in retail sales demonstrated the strong public acceptance of Royalite products and services by Western Canadian motorists.

The weekly half-hour television and radio program, commenced in 1963, was continued through the year and contributed to the success of Company efforts to increase the number of Royalite credit card customers.

A total of 763 retail and bulk outlets were marketing Royalite products at the year end.

RE-ORGANIZATION

Agreements effective January 1, 1965 were completed with The British American Oil Company Limited, Purity 99 Oil Ltd. and Anglo-Canadian Oils Limited.

The agreements are aimed at a more effective utilization of the combined resources of manpower and facilities of the companies.

The Company has undertaken to operate Anglo-Canadian and Purity marketing facilities under the Royalite banner. The re-organization has established Royalite as one of the strongest marketing forces in Western Canada. Many advantages will accrue to the Company, customers, dealers and agents. These advantages include, among others, expanded credit card coverage, the ability to develop and promote a complete line of automotive supplies bearing the Company's brand and broader advertising and sales promotion programs. A new service and product sign has been created to identify the expanded company, replicas of which appear on the cover of this report.

In the field of exploration, production and pipelines, British American has contracted to manage and operate Royalite's producing oil and gas properties and pipelines, and to explore and evaluate the Company's unproven properties. In addition, the Company has been granted a participating interest in all unproven properties acquired after January 1, 1965 by British American. The Company retains the right to purchase proven properties for its own account.

Under the agreements, British American also operates the Company's refineries, as well as the crude oil pipeline facilities of Saskatoon Pipe Line Company Limited and the gas plant and gathering system of Madison Natural Gas Company Limited, both subsidiary companies of Royalite. British American has

contracted to supply the entire petroleum product requirements of the expanded marketing operation.

Royalite personnel, who were employed in the departments now operated by British American, have been transferred to the latter company. Employees of the marketing departments of Anglo-Canadian and Purity 99 are now employed by Royalite.

OUTLOOK

The Canadian oil and natural gas industry continued its favorable growth and further expansion is foreseen in 1965.

Production of crude oil and natural gas liquids averaged 850,000 barrels per day in 1964, an 8.1% increase over the average of 786,000 barrels per day in the previous year. Sales of natural gas averaged 2.5 billion cubic feet per day compared with 2.2 billion cubic feet per day in 1963.

The 1964 production of crude oil and natural gas liquids was equivalent to the target set under the National Oil Policy. No target is to be established for 1965 and industry will be allowed to carry on under its own initiative for the present. Demand is expected to average 880,000 barrels per day. Natural gas sales are expected to average 2.7 billion cubic feet per day.

Company crude oil and natural gas liquids production is expected to be somewhat lower in 1965. The principal reductions are projected in the prorated fields in Alberta as a result of additional development by other producers in the newer fields and the revisions in the proration plan. Natural gas sales will improve slightly as increased volumes from Turner Valley and North Sibbald fields and commencement of deliveries from Edson will more than offset reduced production from other fields.

Approval was granted to Trans-Canada Pipe Lines Limited to export an additional 2.44 trillion cubic feet of gas and to Alberta and Southern Gas Co. Ltd. to export an additional 2.322 trillion cubic feet from Alberta. The Edson field, in which Royalite holds an interest, was included in the Trans-Canada approval. Permits must be obtained from the Canadian National Energy Board and, in the case of additional export of gas to the United States, from the Federal Power Commission.

After an extensive hearing by the Alberta Oil and Gas Conservation Board, revised regulations were issued regarding proration of oil between fields based

principally on the mean between remaining and original recoverable reserves. The new plan will be implemented during a four-year transition period commencing May 1, 1965. This plan will tend to encourage exploration for, and the development of better type reservoirs as well as giving an additional incentive to increase recovery by fluid injection. Other regulations will permit development and production on wider spacing patterns which will reduce development and operating expenses in many fields.

A non-profit company, Syncrude Canada Limited, in which Royalite owns a 10% interest, has been incorporated to operate the oil sands research project. Research will continue in laboratory facilities at Edmonton, Alberta.

It is forecast that the growth in demand for petroleum products, recorded in the Western Canadian market in recent years, will continue. As a result of the benefits expected to accrue from the re-organization described earlier in this report, it is projected that Royalite's share of the profitable retail market will improve in 1965.

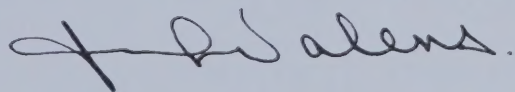
During the year Messrs. D. L. Campbell, Gordon B. Grant, E. D. Loughney, H. T. O'Neill and C. D. Shepard, Q.C. resigned as Directors of the Company. Their associates and the officers of the Company express appreciation for the guidance they provided while serving as Directors.

Messrs. D. S. Lyall of Toronto, F. O. Meighen, Q.C. of Brandon, J. A. Scobie, J. L. Valens and D. S. Woodman of Calgary were appointed to the Board to replace the retiring Directors.

In November Mr. Charles Hay was appointed Chairman of the Board and Mr. J. L. Valens succeeded Mr. Hay as President.

The Directors record their gratitude to the employees who through their loyal and competent service contributed significantly to the success of the Company during the year.

Submitted on behalf of the Board of Directors,



President



SOURCE AND USE OF FUNDS

	1964	1963
FUNDS RECEIVED:		
Net earnings	\$ 3,073,432	\$ 2,653,467
Add charges to expense not representing a cash outlay		
Provision for depletion, amortization and depreciation	2,694,466	2,495,306
Other non-cash items	38,675	—
Funds provided from operations	5,806,573	5,148,773
Sale of fixed assets	255,046	173,852
Net reduction of long term receivables and sundry receipts	(40,078)	522,477
	<u>6,021,541</u>	<u>5,845,102</u>
 FUNDS USED:		
Additions to property, plant and equipment	2,691,668	3,611,096
Repayment of long term debt	1,931,382	1,633,625
Paid under production assignments	82,741	66,623
Dividends on preferred shares	215,320	215,320
	<u>4,921,111</u>	<u>5,526,664</u>
 INCREASE IN WORKING CAPITAL	1,100,430	318,438
Working capital at beginning of year	7,499,979	7,181,541
 WORKING CAPITAL AT END OF YEAR	<u>\$ 8,600,409</u>	<u>\$ 7,499,979</u>

STATEMENTS OF CONSOLIDATED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1964 (with comparative amounts for 1963)

EARNINGS	1964	1963
REVENUES		
Gross sales and other operating revenues	\$43,797,867	\$39,979,481
<i>Less</i> — Gasoline and fuel taxes collected	7,187,584	6,111,453
Net sales and other operating revenues	36,610,283	33,868,028
Dividends, interest and other sundry income	312,227	323,314
	<u>36,922,510</u>	<u>34,191,342</u>
DEDUCTIONS		
Purchased crude oil, petroleum products, etc., including freight	14,788,959	13,012,032
Operating, selling and administrative expenses	12,579,252	12,738,125
Taxes on income (Note 1)	612,000	305,000
Other taxes	2,280,697	2,030,359
Depreciation, depletion and amortization	2,694,466	2,495,306
Interest on long term debt	891,415	955,006
Income applicable to minority interests in subsidiaries consolidated	2,289	2,047
	<u>33,849,078</u>	<u>31,537,875</u>
EARNINGS FOR THE YEAR	<u>\$ 3,073,432</u>	<u>\$ 2,653,467</u>

RETAINED EARNINGS	1964	1963
Balance beginning of year	\$12,692,838	\$10,254,691
Earnings for the year	3,073,432	2,653,467
	<u>15,766,270</u>	<u>12,908,158</u>
Dividends	215,320	215,320
Balance end of year (Note 2)	<u>\$15,550,950</u>	<u>\$12,692,838</u>



CONSOLIDATED BALANCE SH

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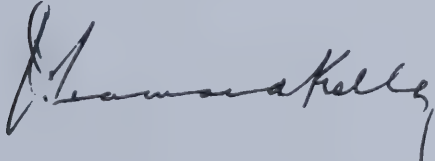
ASSETS

	1964	1963
CURRENT:		
Cash	\$ 509,313	\$ 169,673
Government of Canada bonds, at cost (Market value \$2,349,918)	2,342,445	1,449,645
Other marketable securities, at cost (Market value \$1,935,420)	1,936,187	1,452,128
Accounts receivable	6,064,059	5,787,782
Due from The British American Oil Company Limited	—	985,671
Due from affiliated companies	155,224	—
Inventories, at the lower of cost or market —		
Crude oil	574,001	989,135
Products	2,585,253	2,870,511
Materials and supplies	507,487	507,671
Total current assets	14,673,969	14,212,216
INVESTMENTS AND LONG TERM RECEIVABLES:		
Investment in other companies, at cost	364,265	364,241
Deposits, sundry investments and long term receivables	653,074	613,020
	1,017,339	977,261
PROPERTY, PLANT AND EQUIPMENT: (Note 3)		
Assets, at cost	73,033,468	71,154,460
Less — Accumulated depreciation, depletion and amortization	41,487,631	39,470,996
	31,545,837	31,683,464
Less — Balance of development costs financed by production assignments	—	82,741
	31,545,837	31,600,723
PREPAID AND DEFERRED CHARGES:		
Prepaid expenses	203,460	264,832
Unamortized expense on long term debt	90,263	98,469
	293,723	363,301
NET EXCESS OF COST OVER VALUES ASSIGNED TO NET TANGIBLE ASSETS		
at acquisition of subsidiaries, less accumulated amortization	1,993,284	2,081,216
	<u>\$49,524,152</u>	<u>\$49,234,717</u>

AS AT DECEMBER 31, 1964

(balances for 1963)

LIABILITIES

	1964	1963
CURRENT:		
Bank loans	\$ —	\$ 165,500
Accounts payable and accrued	2,084,649	3,895,331
Due to The British American Oil Company Limited	795,890	—
Dividend payable	53,830	53,830
Interest accrued on long term debt	78,081	93,915
Income and other taxes	1,428,915	872,772
Long term debt due within one year	1,632,195	1,630,889
Total current liabilities	6,073,560	6,712,237
LONG TERM DEBT (Note 4)	15,704,716	17,636,098
MINORITY SHAREHOLDERS' INTEREST		
IN A SUBSIDIARY	18,061	16,679
SHAREHOLDERS' EQUITY:		
Capital stock —		
Preferred shares of a par value of \$25 each —		
Authorized — 400,000 shares		
Outstanding — 164,053 shares of 200,000 issued as		
5¼ % Cumulative Redeemable Preferred Shares,		
First Series (redemption price \$25.25 per share)	4,101,325	4,101,325
Common shares of no par value —		
Authorized — 4,000,000 shares		
Issued — 3,000,342 shares	8,075,540	8,075,540
	12,176,865	12,176,865
Earnings retained and employed in the business, per		
accompanying statement	15,550,950	12,692,838
	27,727,815	24,869,703
SIGNED ON BEHALF OF THE BOARD:		
 Director		
 Director		
	<u>\$49,524,152</u>	<u>\$49,234,717</u>



NOTES TO FINANCIAL STATEMENTS

1. INCOME TAX:

For income tax purposes the companies claim the maximum capital cost allowances permitted under the regulations rather than depreciation charged in the accounts. The cost of producing wells and of leases, reservations and permits acquired after April 10, 1962, which are capitalized in the accounts and charged against earnings on a unit of production or other amortization basis, are claimed in the year of expenditure or as soon thereafter as possible. Capital cost allowances exceed depreciation charged in the accounts resulting in reductions of income tax of \$220,000 in 1964 and \$1,680,000 to date. Income taxes for 1964 were further reduced by \$550,000 by applying losses of prior years.

2. RESTRICTION ON DIVIDENDS:

Under the terms of the Company's Trust Indenture, the amount of retained earnings available for the payment of dividends on common shares is restricted to consolidated net earnings since August 31, 1955 plus \$800,000 after deducting dividends declared on preferred shares.

3. PROPERTY, PLANT AND EQUIPMENT:

	COST	ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION	NET 1964	NET 1963
Production	\$40,816,556	\$24,456,237	\$16,360,319	\$16,430,307
Bituminous sands project	2,452,707	—	2,452,707	2,340,378
Pipelines	5,174,966	3,666,897	1,508,069	1,613,423
Manufacturing	15,952,290	9,719,194	6,233,096	6,597,799
Marketing	7,589,664	3,171,278	4,418,386	4,175,733
Other	1,047,285	474,025	573,260	525,824
	<u>\$73,033,468</u>	<u>\$41,487,631</u>	<u>\$31,545,837</u>	<u>\$31,683,464</u>

4. LONG TERM DEBT:

	DECEMBER 31	
	1964	1963
Royalite Oil Company, Limited —		
4¾ % Serial Debentures, Series A, due December 1, 1965	\$ 550,000	\$ 1,100,000
4¾ % Sinking Fund Debentures, Series B, due December 1, 1975	13,872,000	14,122,000
5 % Sinking Fund Debentures, Series C, due December 1, 1972	1,578,000	1,778,000
Total Debentures — \$1,000,000 to be redeemed December 1 each year and balance in 1975	16,000,000	17,000,000
4¼ % First Mortgage Serial Bonds, Series A, due January 15, 1965	610,000	1,170,000
	16,610,000	18,170,000
Other long term obligations	726,911	1,096,987
	17,336,911	19,266,987
Less — Payments due within one year shown as current liabilities	1,632,195	1,630,889
	<u>\$15,704,716</u>	<u>\$17,636,098</u>

5. LONG TERM LEASES :

Rental obligations of the consolidated companies at December 31, 1964 for buildings and service stations under long term leases amount to \$1,180,000 per annum. The rental revenue expected to be derived from the leasing of such premises approximates \$611,000 per annum.

6. STATUTORY INFORMATION :

Administrative expenses include legal fees, directors' fees and salaries of directors and executive officers amounting to \$112,837 in 1964.

AUDITORS' REPORT

PRICE WATERHOUSE & Co.

To the Shareholders of
ROYALITE OIL COMPANY, LIMITED

We have examined the consolidated balance sheet of Royalite Oil Company, Limited and subsidiary companies as at December 31, 1964 and the statements of consolidated earnings for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and statements of consolidated earnings are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the combined companies as at December 31, 1964 and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We have also examined the statement of source and use of funds for the year ended December 31, 1964 which is presented as supplementary information and, in our opinion, the statement presents fairly the information shown therein.

Calgary, Alberta
January 25, 1965

Price Waterhouse & Co.

Chartered Accountants

COMPARATIVE STATEMENTS

	1964	1963	1962
Operating revenue	\$43,797,867	\$39,979,481	\$40,407,108
Net earnings (loss)	3,073,432	2,653,467	2,688,954
Per common share (after preferred stock dividends)	95.3¢	81.3¢	82.4¢
Dividends paid:			
Preferred stock	215,320	215,320	215,320
Per share	\$1.3125	\$1.3125	\$1.3125
Common stock	—	—	—
Per share	—	—	—
Working capital	8,600,409	7,499,979	7,181,541
Capital expenditure	2,538,717	3,391,732	3,561,515
* Exploration			
Capital expenditure	152,951	219,364	208,691
Expense	525,408	559,847	398,744
Property, plant and equipment (net)	31,545,837	31,683,464	30,651,255
Number of employees	690	657	597
Net acreage held:			
Proven	55,353	49,444	36,176
Unproven	252,216	257,069	302,772
Production:			
Crude oil — Company net (bbls.)	1,746,348	1,637,726	1,626,992
Per day	4,771	4,487	4,458
Propane (gals.)	5,985,532	6,455,796	6,367,855
Natural gasoline (bbls.)	431,357	472,763	460,621
Sulphur (tons)	11,034	13,280	10,057
Natural gas sales (Mcf.)	19,019,671	20,643,014	21,594,939
† Refinery throughput (bbls.)	4,406,324	4,238,165	4,133,880
Per day	12,039	11,611	11,326
Sales of refined products (gals.)	146,404,000	129,300,000	124,653,000
Number of marketing outlets	763	741	723

* Work performed by others for Royallite account is excluded

† Includes crude oil processed for others

STICAL SUMMARY

1961	1960	1959	1958	1957	1956	1955
\$38,626,934	\$30,532,790	\$29,513,898	\$29,233,523	\$30,516,001	\$25,794,560	\$23,537,419
2,143,777	1,041,621	637,681	(1,635,285)	577,964	435,560	(151,922)
65.2¢	28.0¢	14.3¢	(62.7¢)	12.2¢	6.1¢	(14.4¢)
215,320	215,320	215,320	215,320	217,346	256,616	262,500
\$1.3125	\$1.3125	\$1.3125	\$1.3125	\$1.3125	\$1.3125	\$1.3125
—	—	—	191,902	766,805	750,544	748,494
—	—	—	6.5¢	26.0¢	26.0¢	26.0¢
8,085,102	7,216,293	7,147,849	2,263,572	2,677,920	5,670,478	9,057,623
2,717,039	1,584,352	770,134	1,735,283	5,111,964	5,761,334	4,440,236
101,770	41,676	1,274	164,993	501,588	191,536	416,554
566,066	642,884	817,415	1,666,283	1,451,701	1,799,060	2,714,392
29,259,553	29,461,868	30,732,422	34,982,950	37,884,364	36,148,386	34,029,868
630	668	730	854	967	870	753
35,540	34,558	30,731	40,029	39,402	32,413	24,792
367,247	550,187	683,523	1,071,139	1,396,992	1,736,747	2,011,010
1,478,281	1,213,710	1,618,432	1,792,494	2,310,514	2,322,940	2,183,216
4,050	3,325	4,434	4,910	6,330	6,364	5,981
5,771,004	5,753,876	4,345,483	5,626,281	5,269,950	5,725,811	5,345,590
458,555	416,936	426,812	363,946	390,628	417,077	419,947
8,487	8,158	9,284	9,236	11,050	11,640	11,251
21,587,143	20,925,552	24,142,406	22,414,795	20,998,251	22,239,270	22,965,017
3,759,826	3,766,259	3,440,262	3,250,735	3,968,218	4,187,300	3,765,432
10,301	10,319	9,425	8,906	10,872	11,472	10,316
127,430,000	119,456,000	115,936,000	121,476,000	144,662,000	155,000,000	138,000,000
738	723	642	596	549	457	364

ROYALITE OIL COMPANY, LIMITED

DIRECTORS

GEORGE E. EDWORTHY

CHARLES HAY

J. HOWARD KELLY, Q.C.

D. S. LYALL

W. C. MAINWARING, O.B.E.

F. O. MEIGHEN, Q.C.

J. A. SCOBIE

C. A. STOLLERY

R. L. THOMPSON

J. LAWSON VALENS

D. S. WOODMAN

OFFICERS AND ADMINISTRATIVE MANAGEMENT

CHARLES HAY, Chairman of the Board

J. LAWSON VALENS, President

R. L. THOMPSON, Vice-President

J. A. SCOBIE, Vice-President

H. OGSTON, Vice-President

R. C. SMITH, Secretary

R. C. CONDON, Treasurer

G. A. CONNELL, Manager, Engineering and Economics Department

D. S. ROBERTSON, Controller

LEGAL COUNSEL

E. J. CHAMBERS, Q.C., Calgary, Alberta

AUDITORS

PRICE WATERHOUSE & CO.

CORPORATE INFORMATION

REGISTRARS

THE ROYAL TRUST COMPANY,

Calgary, Alberta; Vancouver, British Columbia; Winnipeg, Manitoba;
Toronto, Ontario; Montreal, Quebec; Halifax, Nova Scotia.

EMPIRE TRUST COMPANY,

New York City, New York, U.S.A.

TRANSFER AGENTS

THE CANADA TRUST COMPANY,

Vancouver, British Columbia; Winnipeg, Manitoba; Toronto, Ontario.

MONTREAL TRUST COMPANY,

Calgary, Alberta; Montreal, Quebec; Halifax, Nova Scotia.

THE BANK OF NEW YORK,

New York City, New York, U.S.A.

DIVIDEND DISBURSING AGENT

THE CANADA TRUST COMPANY,

Toronto, Ontario.

STOCK EXCHANGE LISTINGS

CALGARY STOCK EXCHANGE, VANCOUVER STOCK EXCHANGE,
TORONTO STOCK EXCHANGE, MONTREAL STOCK EXCHANGE.

SUBSIDIARIES AND PRINCIPAL OFFICES

OPERATING SUBSIDIARIES

MADISON NATURAL GAS COMPANY LIMITED

owns a gas gathering system and plant for the purification of natural gas in the Turner Valley field of Alberta.

ROYALITE OIL COMPANY INC.

a Corporation of the State of Delaware, operates Royalite's interests in the United States.

SASKATOON PIPE LINE COMPANY LIMITED

owns a 56-mile pipeline from Interprovincial Pipe Line to the Company refinery at Saskatoon, Saskatchewan. (97% ownership)

HEAD OFFICE

Royalite Building, Calgary, Alberta

REGIONAL MARKETING OFFICES

Calgary, Alberta

Brandon, Manitoba

DISTRICT MARKETING OFFICES

Vancouver, British Columbia

Kamloops, British Columbia

Edmonton, Alberta

Calgary, Alberta

Regina, Saskatchewan

Saskatoon, Saskatchewan

Brandon, Manitoba

Winnipeg, Manitoba

